

Date: September 4, 2012

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Donald F. Greeley, Director, Water Management
Jerry F. Morrone, Engineering Supervisor, Water Management

Subject: Southeast Pressure Zone Tank and Water System Improvements
Purchase of Land for Elevated Water Storage Tank

Executive Summary

On September 4th, 2012, City Council will take action on the recommendation to award Hazen & Sawyer, PC a contract for engineering design and construction administration of a new pressure zone in the City's Water Distribution System in Southeast Durham. The improvements needed for the new zone include a one million gallon elevated water storage tank and several new water lines. This infrastructure, in combination with the Southern Reinforcement Main and the Angier Elevated Storage Tank projects, will establish a new pressure zone and improve overall service levels and improve fireflow capacities in the southeast portion of the City's service area. General Services and Water Management have secured an 'Option to Purchase' for a 0.95 acre parcel of land at 2207 Page Road, Parcel #164042, for the construction of the elevated tank.

Recommendation

The Department of Water Management and General Services Department recommend that the City Council approve the fee simple absolute acquisition of a 0.95 acre lot, Parcel #164042, from Francis P. Ward, for \$160,000.00.

Background

The site for the new elevated tank consists of a 0.95 acre lot, currently zoned Rural Residential. There is an existing single family brick home, which has been vacant for more than a year. The current owner, Ms. Ward, is willing to sell.

City staff, along with our consultant, Hazen and Sawyer, have reviewed various setback and zoning/planning requirements, as well as conducted a preliminary geotechnical investigation. Results indicate the site is of adequate size, location, elevation and orientation for the tank.

A comparative market analysis (CMA) for comparable land sales was also performed. Based on this analysis, General Services Department indicates that the sales price of \$160,000 is a very good price. Much of the local land is commercial and is in close proximity to RTP and Imperial Center part of the City's water service area.

Issues and Analysis

The City has obtained an Option to Purchase from current Owner, signed August 4, 2012. Below is a summary of pertinent terms and conditions in the option:

- (1) Option is exclusive and expires 120 days after City Council approval.
- (2) Property required is a total take in fee simple absolute of 0.95 acres, located at 2207 Page Road, Parcel #164042.
- (3) Upon exercise of the Option by the City, by giving notice of such exercise, the Seller shall execute and deliver a good and sufficient deed conveying title to the City.
- (4) It is understood and agreed that the City of Durham or its agents or contractors may enter upon the property for purposes related to the acquisition at any time after the execution of the Option and prior to delivery of the deed.

Alternatives

Alternative #1: Do not authorize the General Services Department Real Estate staff to acquire the above property on behalf of the Department of Water Management. This would result in the City not being able to construct the tank at this site, forcing the City to evaluate and select a different site. Site selection for a tank is a costly process and could result in increases in project costs and significant delays in improving pressures and fireflows for existing customers and development in the southeast portion of the City's service area.

Financial Impact

Funds for the property acquisition are budgeted for in the Southeast Pressure Zone project in the City's CIP. There are currently funds available for the acquisition of land in account # 4100P762-730100-P0B08.

SDBE Summary

This item does not require review by the Equal Opportunity/Equity Assurance Department.

Attachments

Option to Purchase for Parcel ID #164042.